

**EXHIBIT 113 TO  
HARVEY DECLARATION  
REDACTED VERSION**



## 2011 Compensation Changes Update

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### OVERVIEW

On 8-Nov-10, the LDCC reviewed a proposal [REDACTED]. We announced the changes on 9-Nov-10 and they have been very positively received across regions and functions (see Attachment A for sample Googler feedback and Attachment B for slides from Eric Schmidt's Google-wide announcement).

On 1-Jan-11, we implemented these changes as reviewed by the LDCC, impacting most full-time Googlers<sup>1</sup>. We also revised [REDACTED] candidate offers to reflect 2011 compensation changes.

We have also reengaged [REDACTED] candidates who recently declined Google's offer to inform them of our 2011 compensation changes. To date, [REDACTED] candidates have accepted our revised offers.

### IMPLEMENTATION

#### Post-announcement Reaction

Since our internal announcement on 9-Nov-10, the reaction from Googlers has been overwhelmingly positive. Our internal information site and compensation calculator tool (used to model potential compensation changes) received 20,896 and 22,728 unique visitors, respectively, showing a high level of engagement on this topic.

Our compensation philosophy change was reported by numerous news outlets and blogs, including Business Insider, Reuters, TechCrunch and the Wall Street Journal. In general, media reactions were positive and focused on Google's efforts to adjust the mix of compensation elements based on Googler feedback. Several sources speculated that the changes were a reaction to an increasingly competitive talent environment, particularly with startups such as Facebook. Note, since we did not proactively disclose the mechanics of this program, our 2011 changes were initially misreported by multiple media sources.

Our Global Communications & Public Affairs team noted that the media was significantly more interested in the compensation changes affecting our broad employee base. The 8k filing documenting executive pay changes only resulted in a handful of stories, the most high profile of which were on Bloomberg and CNET (see Attachment C for list of sources used in this section).

#### Impact on Offer Acceptance

After the announcement, we revised [REDACTED] outstanding offers to inform our candidates of our new 2011 compensation. Of these, [REDACTED] had already been accepted and [REDACTED] were still in negotiation. For offers extended after the announcement, we noticed a [REDACTED] in offer acceptance over the same period in 2009 (8-Nov through our data cutoff of 15-Dec).

Once a sufficient time period has passed, we will report attrition rates to the LDCC.

Redacted

Redacted

Note [REDACTED] employees are

not bonus eligible and received the 10% salary increase.

## IMPACT ON TALENT ACQUISITION

### Revisiting Potential Candidates

We have also launched an effort to systematically revisit EngOps candidates who previously turned down offers from Google. As of 15-Dec-10, we contacted [REDACTED] such candidates to inform them of our 2011 compensation changes. [REDACTED] candidates have accepted our revised offers and [REDACTED] are currently in discussion with our staffing team (e.g. more detail about benefits, relocation policy, project assignment, career trajectory, etc).

[REDACTED]

## FUTURE STRATEGY

### 2012 Bonus Communication

[REDACTED]

communication strategies. Most significantly, we are developing a self-service online tool to provide detailed total rewards information to employees (see Attachment D for a mockup).

**ATTACHMENT A**

**Googler Post-Announcement Reactions**

*"I am sure many people have thanked you and your team for your decision this past week. I wanted to say thank you as well. I also wanted to note that I decided to work for Google not because of the compensation, but because our culture enables a man to present the CEO with a quarter in front of the entire company; because the transparency and awesomeness of TGIF still makes my heart race; and because the people that I work with love our products - and each other."*

*"I joined Google full-time this fall after 2 internships, and today's announcement reminds me of why I chose to join such an amazing company. It was absolutely amazing to see every single employee SO excited yesterday. The fact that Google gave such a generous gift to everyone, across all levels, lets me know that this company truly values us all, and wants us to continue to work hard to make all the world's information universally accessible. There is no other company like Google."*

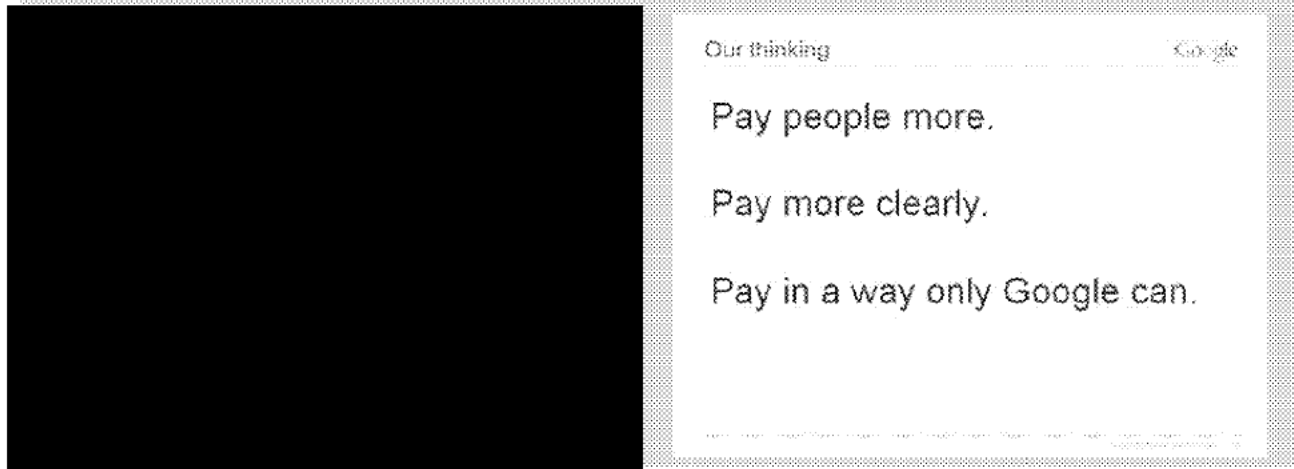
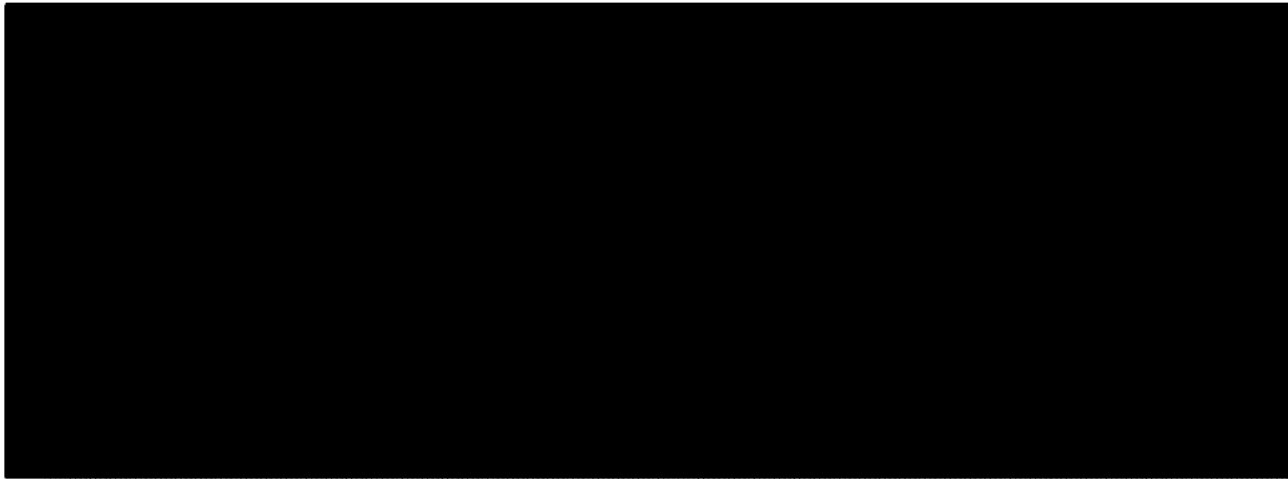
*"Thank you, thank you, and thank you! Your leadership and support changed the lives of Googlers across the globe. We really do work for the best company on the planet and it was once again demonstrated today. The office was a ball of energy and it was amazing to witness. I think many were speechless and it might take a few days for reality to set in. Excited for what the future holds!"*

*"I am so proud to be working at a company that is innovative and generous both internally and externally. A world of thanks to you and the Management Team for this amazing gift, it truly means a lot."*

*"So I was telling my husband and kids about generally what happened yesterday and all the issues you guys had to worry about in order to pull this huge thing off and I got all choked up, which is rare for me, about how proud and happy I am of our team for doing something so amazing, so BIG, and so off the charts innovative! It was history for Google and no one will ever forget it. Thank you!"*

**ATTACHMENT B**

## Selected Slides Presented by Eric Schmidt at Google-wide Announcement



**ATTACHMENT C**

**Sources for Media Coverage**

"Google Gives All Employees Surprise \$1,000 Cash Bonus and 10% Raise." [www.businessinsider.com](http://www.businessinsider.com). 9-Nov-10.

"Google Responds to Bonus / Raise Story, Cites Importance of 'Competitive Compensation.'" [www.techcrunch.com](http://www.techcrunch.com). 9-Nov-10.

"Google to Give Staff 10% Raise." <http://online.wsj.com>. 10-Nov-10.

"Why Google's Cutting Back on Bonuses." <http://blogs.reuters.com>. 10-Nov-10.

"Google Senior Execs Getting 30% Raises." [www.news.cnet.com](http://www.news.cnet.com). 12-Nov-10.

"Google Will Give \$20 Million Equity Awards to Pichette, Arora." [www.businessweek.com](http://www.businessweek.com). 12-Nov-10.

"Pay Boost for Key Google Executives" [www.ft.com](http://www.ft.com). 14-Nov-10.

"Google's 10% Percent Salary Raise." [www.staho.com](http://www.staho.com). 15-Nov-10.

**ATTACHMENT D**

**Total Reward Statement Tool**

The screen capture below shows a mockup of a self-service tool which will be available for all Googlers. The intent is to better illustrate how our total rewards philosophy works. This tool expands previous total rewards tools by offering more itemization and better visualization.

One of the explicit intents of this is to demonstrate the recent shift of bonus payouts to salary and prevent a misperception when 2012 bonuses are lower than 2011.

Note, data fields below are populated with placeholder values.

Google

